

**National Wild Turkey Federation, Inc.
and Affiliates**

Combined Financial Statements with
Independent Auditor's Report

August 31, 2025 and 2024

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National Wild Turkey Federation, Inc. and Affiliates

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
National Wild Turkey Federation, Inc. and Affiliates
Edgefield, South Carolina

Opinion

We have audited the accompanying combined financial statements of the National Wild Turkey Federation, Inc. (a nonprofit organization) and Affiliates (collectively, the "Federation"), which comprise the combined statements of financial position as of August 31, 2025 and 2024, the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended and the related notes to the combined financial statements.

In our opinion, the combined financial statements present fairly, in all material respects, the financial position of the Federation as of August 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Federation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Federation's ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Federation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Federation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining statement of financial position and combining statement of activities and changes in net assets are presented for purposes of additional analysis and are not required parts of the combined financial statements.

The combining statement of financial position and combining statement of activities and changes in net assets are the responsibility of management and were derived from and relate directly to, the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2026, on our consideration of the Federation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Federation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Federation's internal control over financial reporting and compliance.

Scott and Company LLC

Columbia, South Carolina

January 26, 2026

National Wild Turkey Federation, Inc. and Affiliates
 Combined Statements of Financial Position
 August 31,

	<u>2025</u>	<u>2024</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 13,869,679	\$ 13,408,892
Restricted cash and cash equivalents	6,135,915	5,645,391
Investments	4,391,541	4,509,595
Restricted investments	10,714,669	9,512,166
Accounts receivable, net	3,149,614	1,645,185
Prepaid merchandise	697,310	562,736
Inventories	608,677	823,488
Other current assets	11,202	31,647
Total current assets	<u>39,578,607</u>	<u>36,139,100</u>
Land, building, and equipment, net of accumulated depreciation	12,410,005	13,392,371
Operating lease right of use assets, net of accumulated amortization	187,730	479,834
Total noncurrent assets	<u>12,597,735</u>	<u>13,872,205</u>
Total assets	<u>\$ 52,176,342</u>	<u>\$ 50,011,305</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 2,814,846	\$ 1,912,763
Accrued expenses	1,033,322	870,069
Deferred revenues	9,638,317	5,652,996
Operating lease liability	161,509	306,696
Note payable, current portion	871,302	-
Total current liabilities	<u>14,519,296</u>	<u>8,742,524</u>
Long-Term Liabilities:		
Accrued compensated absences, net of current portion	601,121	558,529
Operating lease liability, net of current portion	26,221	173,138
Note payable, net of current portion	905,369	-
Total long-term liabilities	<u>1,532,711</u>	<u>731,667</u>
Total liabilities	<u>16,052,007</u>	<u>9,474,191</u>
Net Assets:		
Without donor restrictions:		
Undesignated	15,446,356	21,393,979
Board-designated	7,818,933	7,141,440
With donor restrictions	12,859,046	12,001,695
Total net assets	<u>36,124,335</u>	<u>40,537,114</u>
Total liabilities and net assets	<u>\$ 52,176,342</u>	<u>\$ 50,011,305</u>

The accompanying notes are an integral part of these financial statements.

National Wild Turkey Federation, Inc. and Affiliates
 Combined Statements of Activities and Changes in Net Assets
 For the Years Ended August 31,

	2025	2024
Change in Net Assets Without Donor Restrictions:		
Support and Revenue:		
Membership dues	\$ 13,059,347	\$ 12,745,735
Contributions	501,608	1,360,692
Advertising income	688,619	701,199
Federal grants and contracts	7,441,840	2,964,170
Program services	36,798,925	49,156,546
Total Support and Revenue	58,490,339	66,928,342
Net assets released from donor restrictions	5,828,083	4,475,846
	64,318,422	71,404,188
Expenses:		
Program services:		
Education	4,516,785	4,202,061
Membership activities	4,031,157	3,246,929
Conservation activities	25,046,053	32,254,186
General program services	26,639,080	23,462,942
Supporting services:		
Management and general	7,441,775	6,693,014
Fundraising	1,754,785	1,755,024
Total Expenses	69,429,635	71,614,156
Non-operating revenue:		
Net (loss) gain on sale of assets	(836,410)	325
Investment income, net	677,493	1,072,762
Change in Net Assets Without Donor Restrictions	(5,270,130)	863,119
Change in Net Assets With Donor Restrictions:		
Super fund contributions	5,390,696	5,116,554
Other contributions	788,077	989,375
Investment income, net	506,661	473,504
Net assets released from donor restrictions	(5,828,083)	(4,475,846)
Change in Net Assets With Donor Restrictions	857,351	2,103,587
Change in net assets	(4,412,779)	2,966,706
Net assets, beginning of year	40,537,114	37,570,408
Net assets, end of year	\$ 36,124,335	\$ 40,537,114

The accompanying notes are an integral part of these financial statements.

National Wild Turkey Federation, Inc. and Affiliates
 Combined Statement of Functional Expenses
 For the Year Ended August 31, 2025

	Program Services				Supporting Services				Total
	Education	Membership	Conservation Activities	General Program Services	Total Program Services	Management and General	Fundraising	Supporting Services	
Salaries and related expenses:									
Salaries	\$ 715,078	\$ 1,252,389	\$ 5,799,939	\$ 5,964,583	\$ 13,731,989	\$ 3,515,943	\$ 983,114	\$ 4,499,057	\$ 18,231,046
Employee retirement benefits	23,399	40,982	189,790	195,178	449,349	115,051	32,170	147,221	596,570
Payroll taxes	50,396	88,263	408,757	420,360	967,776	247,790	69,286	317,076	1,284,852
Total salaries and related expenses	788,873	1,381,634	6,398,486	6,580,121	15,149,114	3,878,784	1,084,570	4,963,354	20,112,468
Banquet expenses:									
Banquet merchandise	-	-	-	7,531,257	7,531,257	-	-	-	7,531,257
Banquet support	-	-	-	62,364	62,364	-	-	-	62,364
Banquet incentives	-	-	-	1,359,651	1,359,651	-	-	-	1,359,651
Super Fund banquet percentage	-	-	-	2,204,611	2,204,611	-	-	-	2,204,611
Total banquet expenses	-	-	-	11,157,883	11,157,883	-	-	-	11,157,883
Other expenses:									
Bank charges	-	-	-	920,241	920,241	-	-	-	920,241
Communications	176,422	-	-	-	176,422	-	-	-	176,422
Computer expense	83,801	299,458	83,801	299,458	766,518	83,801	12,311	96,112	862,630
Convention expense	-	-	-	4,148,788	4,148,788	21,821	-	21,821	4,170,609
Grants expense	-	-	13,280,399	-	13,280,399	-	-	-	13,280,399
Insurance	113,710	199,152	922,292	948,473	2,183,627	559,892	156,332	716,224	2,899,851
Interest expense	-	-	-	-	-	48,306	-	48,306	48,306
Membership acquisition	-	826,327	-	-	826,327	-	97,132	97,132	923,459
Non-banquet merchandise	-	-	-	399,177	399,177	-	-	-	399,177
Advertising	-	-	-	-	-	78,829	-	78,829	78,829
Media and publications	1,624,165	-	-	-	1,624,165	-	-	-	1,624,165
Meetings	4,743	9,486	85,177	94,662	194,068	253,947	-	253,947	448,015
Outreach	291,162	-	-	-	291,162	-	-	-	291,162
Outdoor Education Center	11,354	-	11,354	-	22,708	-	-	-	22,708
Palmetto Shooting Complex	-	-	-	770,526	770,526	-	-	-	770,526
Postage	644,336	71,325	-	69,294	784,955	28,713	17,783	46,496	831,451
Professional fees	-	-	-	-	-	1,781,737	-	1,781,737	1,781,737
Repairs and maintenance	29,856	29,856	29,857	29,857	119,426	29,856	-	29,856	149,282
Super Fund	-	-	3,624,925	-	3,624,925	-	-	-	3,624,925
Supplies	1,408	2,611	6,792	8,128	18,939	4,116	5,995	10,111	29,050
Telephone and utilities	59,329	87,262	31,398	77,355	255,344	31,399	9,106	40,505	295,849
Travel	415,039	810,178	99,496	790,279	2,114,992	59,697	186,945	246,642	2,361,634
Other expenses	171,140	212,421	167,734	243,391	794,686	165,582	184,611	350,193	1,144,879
Total other expenses	3,626,465	2,548,076	18,343,225	8,799,629	33,317,395	3,147,696	670,215	3,817,911	37,135,306
Total expenses before depreciation and amortization	4,415,338	3,929,710	24,741,711	26,537,633	59,624,392	7,026,480	1,754,785	8,781,265	68,405,657
Depreciation and amortization	101,447	101,447	304,342	101,447	608,683	415,295	-	415,295	1,023,978
Total expenses	\$ 4,516,785	\$ 4,031,157	\$ 25,046,053	\$ 26,639,080	\$ 60,233,075	\$ 7,441,775	\$ 1,754,785	\$ 9,196,560	\$ 69,429,635

The accompanying notes are an integral part of these financial statements.

National Wild Turkey Federation, Inc. and Affiliates
 Combined Statement of Functional Expenses
 For the Year Ended August 31, 2024

	Program Services					Supporting Services			
	Education	Membership	Conservation Activities	General Program Services	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries and related expenses:									
Salaries	\$ 602,590	\$ 1,006,289	\$ 4,770,779	\$ 4,911,168	\$ 11,290,826	\$ 3,555,771	\$ 961,948	\$ 4,517,719	\$ 15,808,545
Employee retirement benefits	19,138	31,959	151,515	155,973	358,585	112,927	30,550	143,477	502,062
Payroll taxes	42,654	71,230	337,700	347,637	799,221	251,695	68,091	319,786	1,119,007
Total salaries and related expenses	664,382	1,109,478	5,259,994	5,414,778	12,448,632	3,920,393	1,060,589	4,980,982	17,429,614
Banquet expenses:									
Banquet merchandise	-	-	-	7,090,152	7,090,152	-	-	-	7,090,152
Banquet support	-	-	-	60,704	60,704	-	-	-	60,704
Banquet incentives	-	-	-	1,203,614	1,203,614	-	-	-	1,203,614
Super Fund banquet percentage	-	-	-	2,015,111	2,015,111	-	-	-	2,015,111
Total banquet expenses	-	-	-	10,369,581	10,369,581	-	-	-	10,369,581
Other expenses:									
Bank and credit card charges	-	-	-	761,913	761,913	-	-	-	761,913
Communications	170,674	-	-	-	170,674	-	-	-	170,674
Computer expense	33,988	116,307	33,988	140,655	324,938	33,988	19,043	53,031	377,969
Convention expense	-	-	-	3,865,265	3,865,265	-	-	-	3,865,265
Grants expense	-	-	22,826,559	-	22,826,559	-	-	-	22,826,559
Insurance	96,400	160,983	763,211	785,670	1,806,264	568,840	153,888	722,728	2,528,992
Membership acquisition	-	701,219	-	-	701,219	-	58,323	58,323	759,542
Non-banquet merchandise	-	-	-	416,462	416,462	-	-	-	416,462
Advertising	-	-	-	-	-	128,886	-	128,886	128,886
Media and publications	1,722,936	-	-	-	1,722,936	-	-	-	1,722,936
Meetings	4,351	8,703	26,990	35,694	75,738	177,094	-	177,094	252,832
Outreach	206,620	-	-	-	206,620	-	-	-	206,620
Outdoor Education Center	17,259	-	17,259	-	34,518	-	-	-	34,518
Palmetto Shooting Complex	-	-	-	576,350	576,350	-	-	-	576,350
Postage	584,307	57,261	-	54,917	696,485	13,707	8,049	21,756	718,241
Professional fees	-	-	-	-	-	1,139,543	-	1,139,543	1,139,543
Repairs and maintenance	45,784	45,784	45,783	45,784	183,135	45,784	-	45,784	228,919
Shoot expense	-	-	-	4,624	4,624	-	-	-	4,624
Super Fund	-	-	2,699,129	-	2,699,129	-	-	-	2,699,129
Supplies	760	1,290	5,571	5,850	13,471	4,151	6,161	10,312	23,783
Telephone and utilities	60,506	86,042	34,971	75,714	257,233	34,972	-	34,972	292,205
Travel	365,589	703,568	138,054	675,957	1,883,168	82,832	207,981	290,813	2,173,981
Other expenses	135,632	163,421	124,056	140,855	563,964	136,181	240,990	377,171	941,135
Total other expenses	3,444,806	2,044,578	26,715,571	7,585,710	39,790,665	2,365,978	694,435	3,060,413	42,851,078
Total expenses before depreciation and amortization	4,109,188	3,154,056	31,975,565	23,370,069	62,608,878	6,286,371	1,755,024	8,041,395	70,650,273
Depreciation and amortization	92,873	92,873	278,621	92,873	557,240	406,643	-	406,643	963,883
Total expenses	\$ 4,202,061	\$ 3,246,929	\$ 32,254,186	\$ 23,462,942	\$ 63,166,118	\$ 6,693,014	\$ 1,755,024	\$ 8,448,038	\$ 71,614,156

The accompanying notes are an integral part of these financial statements.

National Wild Turkey Federation, Inc. and Affiliates

Combined Statements of Cash Flows

For the Years Ended August 31,

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (4,412,779)	\$ 2,966,706
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,023,978	963,883
Net loss (gain) on sales of land, buildings, and equipment	836,410	(325)
Unrealized loss (gain) on investments	79,839	(1,257,261)
Change in assets and liabilities:		
Accounts receivable	(1,504,429)	3,869,219
Prepaid merchandise	(134,574)	96,512
Inventories	214,811	(195,790)
Other current assets	10,938	-
Accounts payable	902,083	(38,161)
Accrued expenses	205,845	61,803
Deferred revenues	3,985,321	(3,460,544)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,207,443</u>	<u>3,006,042</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(18,767,528)	(15,997,517)
Proceeds from sales of investments	17,603,240	5,673,680
Purchase of land, building, and equipment	(1,618,515)	(2,370,428)
Proceeds from sales of land and equipment	750,000	325
NET CASH USED IN INVESTING ACTIVITIES	<u>(2,032,803)</u>	<u>(12,693,940)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable	2,200,000	-
Repayment of notes payable	(423,329)	-
Payment of loan origination fees	-	(40,883)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>1,776,671</u>	<u>(40,883)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	951,311	(9,728,781)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	19,054,283	28,783,064
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 20,005,594</u>	<u>\$ 19,054,283</u>
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Right of use assets obtained in exchange for operating lease liabilities	\$ 8,507	\$ 200,786
Operating lease liabilities arising from obtaining right of use assets	\$ 8,507	\$ 200,786
Reconciliation of cash and cash equivalents reflected in the combined statements of cash flows to the combined statements of financial position:		
Cash and cash equivalents	\$ 13,869,679	\$ 13,408,892
Donor restricted cash and cash equivalents	6,135,915	5,645,391
	<u>\$ 20,005,594</u>	<u>\$ 19,054,283</u>

The accompanying notes are an integral part of these financial statements.

National Wild Turkey Federation, Inc. and Affiliates

Notes to Combined Financial Statements

August 31, 2025 and 2024

Note 1. Summary of Significant Accounting Policies

Nature of Operations – National Wild Turkey Federation, Inc. and Affiliates (the “Federation”) is a nonprofit organization that promotes public awareness of, and support for, the conservation of the wild turkey and the preservation of our hunting heritage. The Federation has established chapters in cities across the United States of America. These chapters support the Federation and benefit from the overall success of their programs. The Federation has members in all states and in several foreign countries.

Financial Statements – The accompanying combined financial statements include the combined accounts of the National Wild Turkey Federation, Inc., the American Upland Land Trust, LLC, Healthy Habitats Land Trust, LLC, and Palmetto Shooting Complex, LLC (included within NWTF of the combining financial statements); the National Wild Turkey Federation Endowment Foundation, Inc. (“Endowment Foundation”); and the NWTF Foundation, Inc. (“Foundation”), which are either under common control or exist solely to support the mission of the Federation. The combined financial statements of the six entities have been combined in accordance with accounting principles generally accepted in the United States of America and all intercompany accounts have been eliminated.

Accounting Principles – The Federation follows accounting principles generally accepted in the United States of America on accounting for contributions and financial statements of not-for-profit organizations, which require reporting revenue and net assets by classification of either without donor restrictions or with donor restrictions.

Basis of Presentation – Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 958, *Not for Profit Entities*. The Federation is required to report information regarding its financial position and activities according to the following net asset classifications:

Without Donor Restrictions: Net assets that are not subject to donor imposed restrictions and may be expended for any purpose in performing the primary objectives of the Federation. The governing board has discretionary control over these resources.

With Donor Restrictions: Net assets resulting from contributions restricted by outside sources are reported as having donor restrictions and are distinguished from net assets without restrictions allocated to specific purposes by action of the governing board. Externally restricted net assets may only be utilized in accordance with the purposes established by the source of net assets and are in contrast with net assets without donor restrictions over which the governing board retains full control for use in achieving any of its institutional purposes.

Cash and Cash Equivalents – For purposes of reporting cash flows, the Federation considers all demand deposits and all liquid non-equity investments with a maturity of three months or less to be cash equivalents. Cash includes donor-restricted cash related to the Endowment Foundation and the Foundation of \$3,791,787 and \$3,474,363 at August 31, 2025 and 2024, respectively, as well as donor-restricted cash related to the sale of Utah conservation permits of \$598,267 and \$390,414, at August 31, 2025 and 2024, respectively. The Utah Department of Natural Resources requires proceeds from the sale of conservation permits to be kept in a separate bank account. The Federation is in compliance with this requirement as of August 31, 2025.

National Wild Turkey Federation, Inc. and Affiliates

Notes to Combined Financial Statements

August 31, 2025 and 2024

Investments – Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the combined statements of financial position. Investments classified as short-term are available for operations in the next fiscal year. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in earned revenue unless the income or loss is restricted by donor or law. Investment earnings are reported net of related expenses, such as custodial, commission, and investment advisory fees.

Accounts Receivable – Receivables are carried at invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a periodic basis. Management determines the allowance for credit losses and banquet losses by regularly evaluating individual customer and chapter receivables and considering a customer's or chapter's financial condition, credit history, and current economic conditions, adjusted for trends and changes in the overall economic environment. Receivables are written off when deemed uncollectible. Recoveries of trade receivables previously written off are recorded when received.

Inventories – Inventories consist primarily of firearms and are stated at the lower of cost (first-in, first-out basis) or market (net realizable value).

Prepaid Merchandise – Prepaid merchandise consists of items to be used by chapters for banquets during the next banquet season.

Other Assets – Other assets consisted of debt issuance costs incurred in obtaining the line of credit. These costs are amortized on the straight-line method, over the life of the agreement. Debt issuance costs less accumulated amortization were \$11,202 and \$31,647 at August 31, 2025 and 2024, respectively. Amortization expense on debt issuance costs was \$9,507 and \$35,150 as of and for the years ended August 31, 2025 and 2024, respectively.

Land, Building, and Equipment – Land, building, and equipment are stated at cost except for donated property, which is stated at fair market value at the date of the donation. Additions with a cost or fair value of less than \$1,000 and an estimated life of less than three years are expensed as incurred. Depreciation is provided over the estimated useful lives of the assets and computed using the straight-line method.

Costs of Borrowing – Interest costs on borrowed funds during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets. No interest was capitalized during the years ended August 31, 2025 and 2024.

Recognition of Donor Restrictions – Support that is restricted by the donor is reported as an increase in net assets with restrictions. When a restriction expires, net assets with restrictions are reclassified to net assets without restrictions.

Revenue Recognition and Deferred Revenue – The Federation recognizes revenue in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers* (Topic 606). The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. See Note 2 for additional disclosures.

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In accordance with Topic 606, the Federation recognizes revenue when control of the promised goods or services are transferred to the Federation's outside parties in an amount that reflects the consideration the Federation expects to be entitled to in exchange for those goods or services. Topic 606 also requires disclosures regarding revenue recognition to ensure understanding as to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Federation has identified membership dues, advertising income, and program services as revenue categories subject to Topic 606.

Membership dues – The Federation offers membership of various categories that typically last for a term of one year. Membership payments received from Federation members are considered equivalent to contributions without donor restrictions and are recognized as revenue when received. The Federation disaggregates fees from these memberships between contributions and exchange transactions. The Federation recognizes revenue related to the contribution portion on the initiation or renewal of membership. The exchange portion is recognized when performance obligations are satisfied. This includes items being exchanged, such as magazines and promotional items, which are recognized as satisfied performance obligations when delivered to the member, or free tickets to events, which are recognized as satisfied when the event occurs.

Advertising income – Advertising income involves sales of sponsorships or promotional advertising in either the Federation's publications or broadcasts. Advertising income is derived from individuals and businesses in the form of cash or value in-kind in exchange for advertising. Revenues are recognized upon issuance of the publication or broadcast. The Federation's performance obligations are satisfied at a point in time and the contractual considerations for a given year is recognized once those performance obligations are fulfilled.

Program services – Program services include proceeds from member banquets that are held by chapters, merchandise revenue, and various state and private grants. The Federation's policy is to recognize banquet proceeds as revenue when earned and collectability is reasonably assured, which occurs when the banquet is finalized at the national headquarters. Revenue related to banquet proceeds is deferred until the year in which the banquet occurs. The Federation receives grants primarily on a reimbursement basis. The Federation's policy is to recognize revenues and receivables when expenses are incurred in connection with the grants.

Contributions – Contributions, including cash, in-kind contributions, and unconditional promises to give are recorded as revenue in the period in which they are received. Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met.

Federal grants and contracts – Activities funded by governments are often carried out for the benefit of the general public, rather than to obtain goods or services for the government's own use or benefit. For the Federation, grant revenue is generally recognized when the corresponding expense has been incurred and reimbursement requests have been submitted.

Accounts Receivable – The Federation accounts for its accounts receivable at face amount. Payment terms for receivables are based upon the agreements due under normal trade terms. The Federation estimates an allowance for credit losses generally based on historical losses adjusted for economic factors. The allowance for credit losses was \$87,812 at both August 31, 2025 and 2024.

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Deferred Revenue – Deferred revenue consists of banquet revenue received in advance of banquet events, membership dues received in advance of outstanding performance obligations, and grants and contribution revenue received for which performance obligations have not yet been satisfied. The Federation recognizes the revenue upon satisfaction of the applicable performance obligations.

Economic factors – The Federation is impacted by overall economic conditions, as there are fewer available government grants during poor economic conditions, as well contributions from donors using their disposable income.

Collections – The Federation operates the Winchester Museum (the “Museum”), a small museum available for viewing by the public on a limited basis. The Museum contains displays about wild turkey species, hunting history, and land conservation activities. The Museum’s collection includes objects that are available to the public or held for that purpose. The Museum is housed in the Federation headquarters facility in Edgefield, South Carolina. Most of the Museum’s artifacts were acquired via donation between 1998 through 2012. The Museum’s *Collections Management Policy* includes guidance on the documentation, preservation, care, and management of the collections and procedures related to the accession and deaccession of collection items. The Federation follows the recommendations of the American Alliance of Museums (“AAM”) with regard to the Winchester Museum collection.

In conformity with the practice generally followed by the Federation, no value is assigned to the collections in the combined statements of financial position. The objects and furnishings, owned by the Museum with the intent of retention are not reported in the accompanying combined statements of financial position. Per the *Collections Management Policy* and following professional standards and guidelines, any proceeds from deaccessions of collection items are designated for the replenishment or care of other objects within the Museum collection. Expenditures for restoration, stabilization, reconstruction, and development are charged to expense as incurred.

Super Fund Contributions – The Hunting Heritage Super Fund (“Super Fund”) was established in 1985 to fund wild turkey restoration, management, and other Federation projects. The Super Fund pools money generated by Federation chapters to benefit wild turkey management, wildlife habitat, hunting access and hunter recruitment, retention, and reactivation efforts. Super Fund contributions are considered donor-restricted contributions and used for ongoing projects in various states.

Advertising – Advertising costs are expensed as incurred. Advertising costs were \$78,829 and \$128,886 during the years ended August 31, 2025 and 2024, respectively.

Shipping and Handling Costs – Freight billed to chapters and customers for banquet merchandise and firearms is considered program service revenue and the related freight costs as a program services expense.

Concentration of Credit Risk – The Federation places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation covers \$250,000 for substantially all depository accounts. The Federation from time to time may have amounts on deposit in excess of the insured limits. The Federation had approximately \$15,798,000 and \$14,513,000 which exceeded these insured amounts as of August 31, 2025 and 2024, respectively.

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Donated Goods and Services – Donated materials and equipment are reflected as contributions at their fair market value at date of receipt.

Accrued Compensated Absences – The Federation expenses and records as a liability the obligations relating to employees' rights to receive vacation compensation for future absences attributable to employees' services as rendered.

Use of Estimates – The preparation of the combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts or revenues and expenses during the reporting period. The most significant estimates include the estimated useful lives of property and equipment and the allowance for credit losses. Actual results could differ from those estimates.

Conservation Easements – Conservation easements represent rights to restrict the use, access, and development of certain properties. The Federation is obligated to monitor easements to ensure that the restrictions are maintained. The Federation monitors these easements in the normal course of its operations and associated costs are expensed as incurred. The property owners contribute funds to help with the monitoring costs and these contributions are held in the Endowment Foundation as net assets with restrictions.

The estimated value of easements is not included in the combined statements of financial position because the easements do not represent a future economic benefit to the Federation.

Functional Allocation – The costs of providing the Federation's programs and other activities have been reported on a functional basis in the combined statements of activities and changes in net assets. Directly identifiable costs have been allocated to the program or supporting services benefited. Indirect costs have been allocated based on management's estimate of resources used on behalf of the program or supporting services.

Income Tax Status – The Federation is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and the applicable state statutes. Management has evaluated the effect of the guidance provided by U.S. Generally Accepted Accounting Principles on Accounting for Uncertainty in Income Taxes. Management believes that the Federation continues to satisfy the requirements of a tax-exempt organization at August 31, 2025. Management has evaluated the tax positions of the Federation and does not believe that any uncertain tax positions or unrecognized tax benefits exist for the years ended August 31, 2025 and 2024. The Federation's policy is to report accrued interest related to unrecognized tax benefits, when applicable, in the miscellaneous functional category and to report penalties as other expense. The Federation's tax returns for 2023, 2024, and 2025 are open and subject to investigation.

Leases – The Federation enters into contractual arrangements for the utilization of certain non-owned assets. These principally relate to the Federation's vehicles leased under a fleet management agreement.

The Federation determines if an arrangement is a lease at inception. Leases are evaluated at commencement to determine proper classification as an operating or finance lease, of which the Federation has determined they had 27 individual operating leases for vehicles under the fleet management agreement at August 31, 2025.

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The Federation uses the borrowing rates provided by the lessor under the fleet management agreement for each individual lease's discount rate for determining the valuation of the right-of-use asset and operating lease liability.

For operating leases, fixed lease payments are recognized on a straight-line basis over the lease term. The Federation's leases do not contain any material residual value guarantees or payments under purchase and termination options which are reasonably certain to be exercised. Lease terms are initially determined as the non-cancelable period of a lease adjusted for options to extend a lease that are reasonably certain to be exercised.

Right-of-use ("ROU") assets are carried at cost less accumulated amortization. Initial cost comprises the lease liability adjusted for lease payments at or before the commencement date. Leases that have an original term of 12 months or less are not recognized on the Federation's combined statements of financial position, and the lease expense related to those short-term leases is recognized over the lease term.

Note 2. Revenue Recognition

The following table shows the Federation's revenue disaggregated between revenue categories:

Years ended August 31,	<u>2025</u>	<u>2024</u>
Without donor restrictions:		
Membership dues, recognized at a point in time	\$ 8,331,851	\$ 9,436,648
Membership dues, recognized over time	4,727,496	3,309,087
Advertising income, recognized at a point in time	688,619	701,199
Program services, recognized at a point in time	36,798,925	49,156,546
Total revenue from contracts with customers	50,546,891	62,603,480
Total other support and revenue	7,943,448	4,324,862
Total support and revenue without donor restrictions	<u>58,490,339</u>	<u>66,928,342</u>
With donor restrictions:		
Total other support and revenue	<u>6,685,434</u>	<u>6,579,433</u>
 Total support and revenue	 <u>\$ 65,175,773</u>	 <u>\$ 73,507,775</u>

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Contract assets and contract liabilities from contracts with customers consisted of the following at August 31,:

	<u>2025</u>	<u>2024</u>
Contract assets:		
Accounts receivable:		
Advertising	\$ 27,105	\$ 37,225
Banquets	270,958	162,159
Unbilled revenue	266,312	-
Total contract assets	<u>564,375</u>	<u>199,384</u>
Grant receivables	2,020,560	1,297,634
Other receivables	652,491	235,979
Allowance for credit losses	(87,812)	(87,812)
Total other receivables	<u>2,585,239</u>	<u>1,445,801</u>
 Total accounts receivable	 <u>\$ 3,149,614</u>	 <u>\$ 1,645,185</u>
Contract liabilities:		
Deferred revenue:		
Banquets	\$ 78,839	\$ 353,214
Membership	-	1,420
Total contract liabilities	<u>78,839</u>	<u>354,634</u>
Deferred revenue - grants	7,041,685	4,047,150
Other deferred revenues	2,517,793	1,251,212
Total other deferred revenues	<u>9,559,478</u>	<u>5,298,362</u>
 Total deferred revenues	 <u>\$ 9,638,317</u>	 <u>\$ 5,652,996</u>

Note 3. Fair Value Measurements

The Federation follows Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 820, *Fair Value Measurements*, for financial assets and liabilities measured on a recurring and non-recurring basis. ASC 820 applies to all financial assets and financial liabilities that are being measured and reported on a fair value basis. ASC 820 establishes a framework for measuring fair value and expands disclosure about fair value measurements.

ASC 820 requires fair value measurements to be classified and disclosed in one of the following three categories:

Level 1: unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

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Level 2: quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability; or

Level 3: prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

The following is a description of valuation methodologies used for assets recorded at fair value:

Common Stocks – Common stocks are valued at the closing price reported on the active market on which the individual securities are traded (Level 1).

Exchange-Traded Funds – Exchange-traded funds are marketable securities that are publicly traded on the active market like common stock (Level 1).

Mutual Funds – Valued at the daily closing price as reported by the fund. Mutual funds held by the Federation are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Federation are deemed to be actively traded (Level 1).

U.S. Treasury Bills – Short-term investments in U.S. Treasury Bills all mature within one year. U.S. Treasury Bills are valued used quoted market prices obtained from active market makers and inter-dealer brokers (Level 1).

Business Development Companies – Investments in business development companies are equity investments that are not publicly traded and thus active market prices are not available. The Federation relies upon a valuation obtained from its investment broker who has obtained an independent appraisal of these values as of a date no greater than twelve months from fiscal year-end (Level 3).

Assets measured at fair value on a recurring basis are as follows as of August 31, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds:				
Equity funds	\$ 1,915,352	\$ -	\$ -	\$ 1,915,352
Fixed income funds	2,319,390	-	-	2,319,390
U.S. Treasury bills	3,990,843	-	-	3,990,843
Common stocks	2,332,871	-	-	2,332,871
Business development companies	-	-	594,178	594,178
Exchange-traded funds	3,953,576	-	-	3,953,576
Total assets at fair value	<u>\$ 14,512,032</u>	<u>\$ -</u>	<u>\$ 594,178</u>	<u>\$ 15,106,210</u>

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Assets measured at fair value on a recurring basis are as follows as of August 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds:				
Equity funds	\$ 4,159,995	\$ -	\$ -	\$ 4,159,995
Fixed income funds	2,211,335	-	-	2,211,335
U.S. Treasury bills	4,694,129	-	-	4,694,129
Common stocks	1,880,505	-	-	1,880,505
Exchange-traded funds	1,075,797	-	-	1,075,797
Total assets at fair value	<u>\$ 14,021,761</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,021,761</u>

The following shows a summary of changes in the fair value of the Federation's Level 3 assets for the years ended August 31,:

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ -	\$ -
Purchases	1,145,599	-
Sales	(550,000)	-
Change in estimated value	(1,421)	-
Balance, end of year	<u>\$ 594,178</u>	<u>\$ -</u>

Note 4. Investments

The Federation's investments are held by the Endowment Foundation. The overall investment objective of the Federation is to invest its assets in a prudent manner to preserve and grow the purchasing power of these funds so that they are available to support the Federation's operations and projects. The Federation manages investment activities in accordance with established policies and with oversight from the Trustees of the Endowment Foundation in accordance with an Investment Policy Statement ("IPS"). Per the IPS, the amount of income provided each year for operations is based on an annual spending rate of up to 5% with a target goal of 2.5% per annum of the actual market value as of August 31 for the first three years of the investment fund (through August 31, 2025). After this period, the spending rate will be applied to an average of the past three years of the investment fund's market values ending each fiscal year on August 31. In no case will the spend rate exceed 5% per annum unless approved by the Endowment Foundation and the Federation.

The Federation recognizes that risk must be assumed to achieve long-term investment objectives. Therefore, asset allocations and ranges are necessarily diverse and consider overall liquidity needs. The Federation has considered its ability to withstand short and intermediate variability and has concluded that the investment portfolio can tolerate some interim fluctuations in market values and rates of return in order to achieve its objective. However, the Federation realizes that market performance may vary and that the objectives set forth in the IPS may not be achievable during short-term periods.

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The Federation has chosen not to manage its underlying assets directly, but to utilize independent investment managers. The investment portfolio was divided among two separate managers during the years ended August 31, 2025 and 2024. To mitigate concentration of credit risk, the Federation's excess cash is invested with high quality institutions. At August 31, 2025, the largest concentrations of investments were invested in U.S. Treasury bills (26%), exchange-traded funds (26%), common stocks (16%), fixed income mutual funds (15%), equity mutual funds (13%), and business development companies (4%). At August 31, 2024, the largest concentrations of investments were invested in U.S. Treasury bills (33%), equity mutual funds (30%), fixed income mutual funds (16%), common stocks (13%), and exchange-traded funds (8%).

Pursuant to the IPS, the asset allocation of the investment portfolio is governed by a range of 60-75% equity investments and 20-35% fixed income investments.

At August 31, 2025, investments consisted of the following:

	<u>Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>
Mutual funds:				
Equity funds	\$ 1,646,182	\$ 274,134	\$ (4,964)	\$ 1,915,352
Fixed income funds	2,249,373	70,017	-	2,319,390
U.S. Treasury bills	3,923,255	67,588	-	3,990,843
Common stocks	1,892,025	537,535	(96,689)	2,332,871
Business development companies	595,599	-	(1,421)	594,178
Exchange-traded funds	3,667,782	285,794	-	3,953,576
Total assets at fair value	<u>\$ 13,974,216</u>	<u>\$ 1,235,068</u>	<u>\$ (103,074)</u>	<u>\$ 15,106,210</u>

At August 31, 2024, investments consisted of the following:

	<u>Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>
Mutual funds:				
Equity funds	\$ 3,487,013	\$ 672,982	\$ -	\$ 4,159,995
Fixed income funds	2,131,627	79,708	-	2,211,335
U.S. Treasury bills	4,628,349	65,780	-	4,694,129
Common stocks	1,658,752	225,891	(4,138)	1,880,505
Exchange-traded funds	885,063	190,734	-	1,075,797
Total assets at fair value	<u>\$ 12,790,804</u>	<u>\$ 1,235,095</u>	<u>\$ (4,138)</u>	<u>\$ 14,021,761</u>

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Note 5. Land, Buildings, and Equipment

Land, buildings, and equipment consisted of the following at August 31,:

	<u>Useful Lives</u>	<u>2025</u>	<u>2024</u>
Land		\$ 3,863,694	\$ 4,021,543
Buildings and infrastructure	2-40 years	8,324,426	16,694,337
Furniture	3-15 years	707,065	707,065
Equipment	2-15 years	3,038,586	2,943,067
Vehicles	3-5 years	182,732	182,732
Software	3-5 years	5,031,896	3,619,208
Gross land, buildings and equipment		21,148,399	28,167,952
Less accumulated depreciation		(8,738,394)	(14,775,581)
Total land, buildings and equipment		<u>\$ 12,410,005</u>	<u>\$ 13,392,371</u>

Depreciation expense was \$1,014,471 and \$928,733 for the years ended August 31, 2025 and 2024, respectively.

Note 6. Line of Credit and Note Payable

At August 31, 2025 and 2024, the Federation had a line of credit in the amount of \$5,000,000, maturing May 25, 2026. The borrowing rate on the \$5,000,000 (previously \$8,245,672) line of credit is 1.35% above the 30-day average Secured Overnight Financing Rate (“SOFR”), which was 5.69% and 6.70% at August 31, 2025 and 2024, respectively. The line of credit is secured by the assets of the Federation.

There were no outstanding balances under the line of credit at August 31, 2025 and 2024, respectively. The lines of credit agreement requires, among other things, the Federation to maintain certain restrictive covenants. As of August 31, 2025, management was in violation of any of its debt covenants; however, there were no indications of any significant repercussions as a result of the violation.

During the year ended August 31, 2025, the Federation entered into a note payable in the amount of \$2,200,000. The note payable is collateralized by the assets of the Federation, and calls for monthly payments in the amount of \$77,077, with an interest rate of 3.85%, maturing August 21, 2027.

Future minimum payments on the note payable are summarized as follows at August 31, 2025:

<u>Year ending August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 871,302	\$ 53,616	\$ 924,918
2027	905,369	19,549	924,918
Total assets at fair value	<u>\$ 1,776,671</u>	<u>\$ 73,165</u>	<u>\$ 1,849,836</u>

From time to time, the Federation and its affiliates have formed intercompany loans. There were no intercompany loans during the years ended August 31, 2025 and 2024.

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Note 7. Retirement Plan

The Federation has a 401(k) and profit sharing plan covering all employees who have reached the age of 21 and completed six months of service. For calendar years 2025 and 2024, the overall limit for employee contributions into the plan was the lesser of \$23,500 and \$23,000, respectively, or 75% of the employee's compensation. The Federation may make profit sharing contributions at its discretion based on an integrated allocation formula calculated as a percentage of each eligible active participant's compensation. Eligibility for the discretionary contribution requires the participant to be employed by the Federation on the last day of the plan year and to have worked at least 1,000 hours during the plan year. During the years ended August 31, 2025 and 2024, the Federation's expenses related to the plan were \$596,570 and \$502,062, respectively, which represents amounts paid out as matching contributions during each pay period.

Note 8. Net Assets With Restrictions

Net assets with restrictions were available for the following as of August 31,:

	<u>2025</u>	<u>2024</u>
NWTF Endowment Foundation, Inc.	\$ 3,368,471	\$ 3,304,632
NWTF Foundation, Inc.	569,289	538,913
NWTF, Inc.	33,219	33,219
Funds held for State Superfund	8,838,067	8,074,931
American Upland Trust, LLC	50,000	50,000
	<u>\$ 12,859,046</u>	<u>\$ 12,001,695</u>

Note 9. Liquidity and Availability of Resources

The Federation's financial assets available within one year of the balance sheet date for general expenditures are as follows as of August 31,:

	<u>2025</u>	<u>2024</u>
Financial assets without donor restrictions at year-end:		
Cash and cash equivalents	\$ 13,869,679	\$ 13,408,892
Investments	4,391,541	4,509,595
Accounts receivable	3,149,614	1,645,185
Total financial assets without donor restrictions	21,410,834	19,563,672
Less amounts not available to be used within one year	-	-
Liquidity resources: Bank lines of credit	5,000,000	7,200,000
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 26,410,834</u>	<u>\$ 26,763,672</u>

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Note 10. Leases

In accordance with ASC 842, *Leases*, lease liabilities are initially and subsequently measured at the present value of the remaining lease payments. The right-of-use assets are initially recognized at the amount of the lease liabilities initially recognized less lease incentives received, plus initial direct costs and prepaid lease payments, if any. Should there be a modification, the rate may be updated with a more current incremental borrowing rate.

The Federation leases vehicles under a fleet management agreement through a lender under operating leases. All leases commenced between March 1, 2022 and April 1, 2024 and are for lease terms of 36 months. The associated lease-related assets and liabilities as presented in the balance sheets consist of the following at August 31,:

	<u>2025</u>	<u>2024</u>
Assets:		
Operating lease right-of-use assets	\$ 819,942	\$ 870,871
Less accumulated amortization	(632,212)	(391,037)
Right-of-use assets, net	<u>\$ 187,730</u>	<u>\$ 479,834</u>
Liabilities:		
Current portion of operating lease liabilities	\$ 161,509	\$ 306,696
Long-term portion of operating lease liabilities	26,221	173,138
	<u>\$ 187,730</u>	<u>\$ 479,834</u>

The weighted average discount rate applicable to the lease agreements is 7.13% and the weighted average remaining lease term is 5.86 months. Future minimum lease payments are as follows:

2026	\$ 166,283
2027	28,791
Total undiscounted cash flows	<u>195,074</u>
Less, effects of discounting	(7,344)
Operating lease liability	<u>\$ 187,730</u>

The undiscounted cash flows differ from the lease liability on the combined statement of financial position based on the net present value of future cash payments.

Total operating lease expense was \$342,536 and \$354,388 during the years ended August 31, 2025 and 2024, respectively, which is included in travel expense on the combined statements of functional expenses. Operating lease expense is recognized on a straight-line basis over the lease term.

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Note 11. Endowments

The Federation's endowment consists of one fund established for a variety of purposes. This endowment includes both donor-restricted funds contributed to the Federation for the long-term benefit of the future of the Federation and funds designated by the Board to function as an endowment. Board-designated funds functioning as endowment represent funds that have been set aside to support a variety of purposes including funding programs and supporting services. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Federation to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Federation has interpreted the *State Prudent Management of Institutional Funds Act* ("SPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Federation classifies as net assets with restrictions that are perpetual in nature (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with restrictions that are perpetual in nature is classified as net assets with restrictions by purpose until those amounts are appropriated for expenditure by the Federation in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Federation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Federation, and (7) the Federation's investment policies.

Investment Return Objectives, Risk Parameters, and Strategies – The Federation has adopted investment and spending policies, for endowment assets that attempts to maximize total return consistent with an acceptable level of risk. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy – The Federation's spending policy is to spend funds in accordance with the donor's restrictions as provided in the gift instrument and IPS. The Federation expects the current spending policy to allow its endowment funds to grow at a nominal rate, which is consistent with the Federation's objective to maintain the purchasing power of the endowment assets.

National Wild Turkey Federation, Inc. and Affiliates

Notes to Combined Financial Statements

August 31, 2025 and 2024

Endowment net asset composition by type of Fund consisted of the following at August 31, 2025:

	Net Assets Without Restrictions	Net Assets With Restrictions	Total Endowment Net Assets
Board-designated funds	\$ 7,896,651	\$ -	\$ 7,896,651
Donor-restricted endowment funds	-	12,775,827	12,775,827
Total assets at fair value	<u>\$ 7,896,651</u>	<u>\$ 12,775,827</u>	<u>\$ 20,672,478</u>

Endowment net asset composition by type of Fund consisted of the following at August 31, 2024:

	Net Assets Without Restrictions	Net Assets With Restrictions	Total Endowment Net Assets
Board-designated funds	\$ 7,219,158	\$ -	\$ 7,219,158
Donor-restricted endowment funds	-	11,918,476	11,918,476
Total assets at fair value	<u>\$ 7,219,158</u>	<u>\$ 11,918,476</u>	<u>\$ 19,137,634</u>

Endowment net assets are included in cash and cash equivalents in the combined statements of financial position at August 31, 2025 and 2024. Investment earnings on intercompany loans are considered increases in net assets without restriction for the Endowment and are eliminated in the combined statements of financial position. There were no intercompany loans during the years ended August 31, 2025 and 2024.

Changes in endowment net assets during the year ended August 31, 2025 are as follows:

	Net Assets Without Restrictions	Net Assets With Restrictions	Total Endowment Net Assets
Endowment net assets, beginning	\$ 7,219,158	\$ 11,918,476	\$ 19,137,634
Contributions	-	1,230,445	1,230,445
Investment income, net	677,493	506,661	1,184,154
Expenditures and releases from restriction	-	(879,755)	(879,755)
Endowment net assets, ending	<u>\$ 7,896,651</u>	<u>\$ 12,775,827</u>	<u>\$ 20,672,478</u>

National Wild Turkey Federation, Inc. and Affiliates

Notes to Combined Financial Statements

August 31, 2025 and 2024

Changes in endowment net assets during the year ended August 31, 2024 are as follows:

	Net Assets Without Restrictions	Net Assets With Restrictions	Total Endowment Net Assets
Endowment net assets, beginning	\$ 6,146,396	\$ 3,284,938	\$ 9,431,334
Contributions	-	8,754,043	8,754,043
Investment income, net	1,072,762	473,504	1,546,266
Expenditures and releases from restriction	-	(594,009)	(594,009)
Endowment net assets, ending	<u>\$ 7,219,158</u>	<u>\$ 11,918,476</u>	<u>\$ 19,137,634</u>

Note 12. Subsequent Events

Management has evaluated subsequent events through January 26, 2026, the date these combined financial statements were available to be issued, for possible recognition or disclosure in the combined financial statements. Management has concluded that no significant subsequent events meet the criteria of professional accounting standards to be recognized or not recognized, but disclosed, in these combined financial statements.

Supplementary Information

National Wild Turkey Federation, Inc. and Affiliates

Combining Statement of Financial Position

As of August 31, 2025

	NWTF	Endowment Foundation	Foundation	Eliminations	Total
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 12,515,886	\$ 1,353,793	\$ -	\$ -	\$ 13,869,679
Restricted cash and cash equivalents	2,251,492	3,303,042	581,381	-	6,135,915
Investments	-	4,391,541	-	-	4,391,541
Restricted investments	-	10,714,669	-	-	10,714,669
Accounts receivable, net	3,149,614	-	-	-	3,149,614
Prepaid merchandise	697,310	-	-	-	697,310
Inventories	608,677	-	-	-	608,677
Other current assets	11,202	-	-	-	11,202
Due from related party	-	352,652	-	(352,652)	-
Total current assets	19,234,181	20,115,697	581,381	(352,652)	39,578,607
Land, building, and equipment, net of accumulated depreciation	12,410,005	-	-	-	12,410,005
Operating lease right of use assets, net of accumulated amortization	187,730	-	-	-	187,730
Total noncurrent assets	12,597,735	-	-	-	12,597,735
Total assets	\$ 31,831,916	\$ 20,115,697	\$ 581,381	\$ (352,652)	\$ 52,176,342
LIABILITIES AND NET ASSETS					
Current Liabilities:					
Accounts payable	\$ 2,814,846	\$ -	\$ -	\$ -	\$ 2,814,846
Accrued expenses	1,008,722	24,600	-	-	1,033,322
Deferred revenues	9,638,317	-	-	-	9,638,317
Operating lease liability	161,509	-	-	-	161,509
Note payable, current portion	871,302	-	-	-	871,302
Due to related party	352,652	-	-	(352,652)	-
Total current liabilities	14,847,348	24,600	-	(352,652)	14,519,296
Long-Term Liabilities:					
Accrued compensated absences, net of current portion	601,121	-	-	-	601,121
Operating lease liability, net of current portion	26,221	-	-	-	26,221
Note payable, net of current portion	905,369	-	-	-	905,369
Total long-term liabilities	1,532,711	-	-	-	1,532,711
Total liabilities	16,380,059	24,600	-	(352,652)	16,052,007
Net Assets:					
Without donor restrictions:					
Undesignated	15,368,638	-	-	77,718	15,446,356
Board-designated	-	7,884,559	12,092	(77,718)	7,818,933
With donor restrictions	83,219	12,206,538	569,289	-	12,859,046
Total net assets	15,451,857	20,091,097	581,381	-	36,124,335
Total liabilities and net assets	\$ 31,831,916	\$ 20,115,697	\$ 581,381	\$ (352,652)	\$ 52,176,342

See accompanying independent auditor's report.

National Wild Turkey Federation, Inc. and Affiliates
Combining Statement of Activities and Changes in Net Assets
For the Year Ended August 31, 2025

	Endowment				Total
	NWTF	Foundation	Foundation	Eliminations	
Change in Net Assets Without Donor Restrictions:					
Support and Revenue:					
Membership dues	\$ 13,059,347	\$ -	\$ -	\$ -	\$ 13,059,347
Contributions	501,608	-	-	-	501,608
Advertising income	688,619	-	-	-	688,619
Federal grants and contracts	7,441,840	-	-	-	7,441,840
Program services	36,798,925	-	-	-	36,798,925
Total Support and Revenue	58,490,339	-	-	-	58,490,339
Net assets released from donor restrictions	4,948,328	838,934	40,821	-	5,828,083
	63,438,667	838,934	40,821	-	64,318,422
Expenses:					
Education	4,513,144	-	3,641	-	4,516,785
Membership activities	4,027,516	-	3,641	-	4,031,157
Conservation activities	24,203,478	838,934	3,641	-	25,046,053
General program services	26,635,439	-	3,641	-	26,639,080
Management and general	7,415,518	-	26,257	-	7,441,775
Fundraising	1,754,785	-	-	-	1,754,785
Total Expenses	68,549,880	838,934	40,821	-	69,429,635
Non-operating revenue and expenses:					
Net loss on sale of assets	(836,410)	-	-	-	(836,410)
Investment income, net	-	677,493	-	-	677,493
	(836,410)	677,493	-	-	(158,917)
Change in Net Assets Without Donor Restrictions	(5,947,623)	677,493	-	-	(5,270,130)
Change in Net Assets With Donor Restrictions:					
Super fund contributions	4,948,328	442,368	-	-	5,390,696
Other contributions	-	716,880	71,197	-	788,077
Investment income, net	-	506,661	-	-	506,661
Net assets released from donor restrictions	(4,948,328)	(838,934)	(40,821)	-	(5,828,083)
Change in Net Assets With Donor Restrictions	-	826,975	30,376	-	857,351
Change in net assets	(5,947,623)	1,504,468	30,376	-	(4,412,779)
Net assets, beginning of year	21,399,480	18,586,629	551,005	-	40,537,114
Net assets, end of year	\$ 15,451,857	\$ 20,091,097	\$ 581,381	\$ -	\$ 36,124,335

See accompanying independent auditor's report.